

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 02 HANOI 001052

SIPDIS

STATE FOR EAP/BCLTV

E.O. 12958: N/A

TAGS: [PREL](#) [PGOV](#) [VM](#) [HUMANR](#) [ETMIN](#) [CVR](#)

SUBJECT: Ambassador Views Development in NW Highlands

1. (U) Summary: Vietnam's Northwest Highlands region remains among the country's poorest, and is faced with challenging and inaccessible terrain, a majority population of Vietnam's ethnic minorities, few natural resources or arable land, and low population density. Leaders of Dien Bien, Lai Chau and Lao Cai Provinces described development plans to the Ambassador during his visit to the region April 20 to 23. The provinces are mostly focused on providing basic infrastructure, such as road access, education, electricity, health clinics and drinking water, to all of their communes. Industrial development largely consists of hydroelectric plants and a handful of mining projects. The region is also seeking to develop links with western China, both for trade in goods and also as a transportation link along the Red River valley and to Haiphong. Religion and narcotics issues in the Northwest Highlands will be addressed septel. End Summary.

#### The Northwest Highlands

2. (U) Vietnam's Northwest Highlands are a less clearly defined area than the Central Highlands. Northern Vietnam is circled by mountains from Son La Province due west of Hanoi to Quang Ninh on the east coast. All these provinces are similar in that they are mountainous, have a large population of ethnic minorities and are economically underdeveloped. The Northwest Highlands generally refer to the provinces of Dien Bien, Lai Chau, Lao Cai and Ha Giang, which are further from the Red River delta and suffer from particularly severe poverty. These provinces consist largely of mountains and steeply sloping valleys with little arable land. They also contain a preponderance of ethnic minorities in almost all areas aside from the Red River valley, which cuts through Lao Cai Province before widening into the delta further downstream.

3. (U) Dien Bien People's Committee Vice Chairman Bui Viet Binh told the Ambassador that Dien Bien Province has a population of 450,000 and is composed of 21 different ethnic groups. The province is 40 percent Thai, 28 percent Hmong and 20 percent Kinh. Binh claimed the province enjoys ten percent annual GDP growth, which it aims to raise to 12-15 percent in 2005. Dien Bien was created through the division of Lai Chau Province in November 2003.

4. (U) Lai Chau People's Committee Chairman Nguyen Minh Quang described his province as the "most distant" and facing the "most difficulties" in Vietnam. Most of the province's 90 communes are included in the GVN's Program 135 poverty alleviation plan. The province's 230,000 inhabitants are largely Thai, with Hmong and Dzao ethnic groups also prominent. The Kinh Vietnamese constitute only ten percent of the population. Quang described the ethnic minorities as being poor and poorly educated, but also "slow to adopt new technologies and techniques."

5. (U) Lao Cai People's Committee Chairman Bui Quang Vinh marked his province as "among the six poorest in Northern Vietnam." Of the province's 164 communes, 125 are "in difficulty" and 80 percent of the province's population of 640,000 lives in these areas. Poverty alleviation programs have lowered the number of residents below the poverty line from 30 percent to 8.4 percent, but this will likely rise again if Vietnam reassesses its poverty line, as it is soon expected to do.

#### Regional Development: Focusing on the Basics

6. (U) Overseeing development in the Northwest Highlands is a Central Government Steering Committee, led by the head of the Economic Commission of the Communist Party's Central Committee. Dien Bien, Lai Chau and Lao Cai often band together to make requests for development assistance from the GVN, and provincial development programs are focused largely on extending basic infrastructure and services to all citizens. Lai Chau hopes to provide access to electricity to 80 percent of households by 2010 (up from 40 percent today) and Dien Bien has extended electricity to 60 of its 88 communes. Lao Cai is trying to provide small hydroelectric generators to those communes not linked to the national electric grid, and the province is currently able to provide access to 70 percent of villages by car. For its

part, Dien Bien hopes to provide road access to all of its 88 communes by 2005. Dien Bien and Lai Chau each have three hospitals, fewer than one for each administrative district. Dien Bien claims to have followed GVN instructions and programs to spread awareness of the threat of HIV/AIDS and to control for avian influenza. Lai Chau has a growing HIV/AIDS problem "connected to tourism," and the province has 393 registered HIV positive patients, up from six in 1996.

17. (U) All three provinces have placed a particular focus on education. Dien Bien has built at least one primary school in all of its communes and has 16 secondary schools, a teacher's college and a nursing school. In addition, each district has a boarding school for ethnic minority students. Lai Chau is focusing on the construction of schools and the assignment of teachers to remote areas and hopes to have primary education available to all children by 2009. The province also benefits from a special GVN program for the construction of schools for ethnic minorities.

18. (U) At Dien Bien's premier provincial-level boarding school for ethnic minority students, the school Director explained that students previously had been referred by district People's Committees. In 2004, an exam system was introduced to select entering students, but the school still undertakes to ensure that different ethnic groups and regions are represented. Some of the arriving students need "Vietnamese language improvement courses" in addition to their regular classes. Graduates largely go on to positions in the provincial government. In the most recent graduating class of 100 students, 46 went on to further study, many of them in special Government programs reserved for ethnic minority students. Approximately 33 percent of the school's students are female.

#### Economic Opportunities: Tourism, Mining and China

-----

19. (U) Industry in the Northwest Highlands largely consists of hydroelectric dams and some mining projects. Dien Bien contains three hydroelectric power stations as well as some coal mining. Lai Chau has one hydroelectric station and is planning two more. Lai Chau is hoping to develop its mining sector through a joint venture slate quarry already in place; the possibility of developing a gold mine with foreign investors is also being explored. The Lao Cai People's Committee Chairman told the Ambassador that he hopes to develop mining and hydroelectric projects, although he did not point to specific examples. Lai Chau authorities noted that the construction of new dams will displace a number of individuals, as will the reservoir of the Son La Dam in neighboring Son La Province. However, this is being done in accordance with national policies on compensation for displaced individuals, they promised.

10. (U) Lao Cai sees opportunities for development of tourism thanks to its border gate with China's Yunnan Province, the old French hill station resort of Sapa and opportunities for tourists to visit ethnic minorities. Ethnic minorities have also begun producing handicrafts specifically for sale to tourists in Sapa and Hanoi, helping to reduce poverty levels. Lao Cai hopes to develop the "Red River economic corridor" running from Haiphong through Hanoi and Lao Cai to Kunming in China. The province is developing a horticulture project in partnership with an American investor and focused on developing flowers for export north to China, or down to Haiphong for transport to Japan.

11. (U) Lai Chau also looks to China for economic opportunities. Lai Chau had 300 billion dong (19 million USD) in exports through its border gate in 2004, largely cashews, rubber and frozen seafood transported from other areas in Vietnam. The province is also encouraging districts to cooperate with their counterparts across the border on issues of regional concern.

#### Village Life Slowly Improving

-----

12. (U) In two ethnic Thai minority villages, local leaders told the Ambassador that their populations are growing rapidly. Both villages have Party cells in addition to an elected village chief: in one village, the chief has served twenty years, while the second village's leader is newly elected. The State provided healthcare, electricity and primary education to children of both villages, which are relatively accessible by car. Economic growth in one village had allowed many families to acquire a bicycle and television. Despite these improvements, both villages largely exist on substance farming, and leaders cited maintenance of irrigation water supply as their key concern.